Arizona Health Care Cost Containment System

REPORTING GUIDE FOR ACUTE HEALTH CARE CONTRACTORS

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Arizona Health Care Cost Containment System

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DEFINITIONS

ACUTE CARE: Inpatient general routine care provided to patients who are in a phase of illness that does not require the concentrated and continuous observation and treatment provided in intensive care units.

AFFILIATE: See "Related Party Transactions".

AHCCCS: Arizona Health Care Cost Containment System.

AHCCCSA: Arizona Health Care Cost Containment System Administration.

CAPITATION: Payment to a Contractor by AHCCCSA, of a fixed monthly payment per person in advance, for which the Contractor provides a full range of covered services.

CONTRACTOR: An organization or entity agreeing through a direct contracting relationship with the AHCCCSA, to provide those goods and services specified by contract in conformance with the stated contract requirements, AHCCCS statutes and rules and Federal laws and regulations.

DAY: Calendar day unless otherwise specified.

DURABLE MEDICAL EQUIPMENT: Items or appliances that can withstand repeated use, are designed primarily to service a medical purpose and are not generally useful to a person in the absence of a related medical condition, illness or injury.

EMERGENCY MEDICAL CONDITION: A medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in: a) placing the patient's health (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; b) serious impairment to bodily functions; or c) serious dysfunction of any bodily organ or part.

EMERGENCY SERVICES: Covered inpatient and outpatient services provided after the sudden onset of an emergency medical condition as defined above. These services must be furnished by a qualified provider, and must be necessary to evaluate or stabilize the emergency medical condition.

ENROLLMENT: The process by which an eligible person becomes a member of a contractor's health plan.

FEE-FOR-SERVICE: A method of payment to registered providers on an amount per service basis.

HOME HEALTH: Health and supportive services provided in an AHCCCS member's home.

INCURRED BUT NOT REPORTED CLAIMS (IBNR): The liability for services rendered for which claims have not been received.

INPATIENT: A patient who is provided with room, board, and general nursing services in a hospital setting and is expected to occupy a bed and remain at least overnight.

OUTPATIENT: A patient who is not confined overnight in a health care institution.

PHARMACY: An establishment where prescription orders are compounded and dispensed by, or under the direct supervision of, a licensed pharmacist, who is registered pursuant to A.R.S. Title 32, Chapter 18.

PHYSICIAN SERVICES: Services provided within the scope of the practice of medicine or osteopathy, as defined by State law, or under the personal supervision of an individual, licensed under State law to practice medicine or osteopathy. Physician services exclude those services routinely performed and not directly related to the medical care of the individual patient.

PRIOR PERIOD COVERAGE (PPC): The period of time, prior to the member's enrollment, during which a member is eligible for covered services. The time frame is from the effective date of eligibility to the day a member is enrolled with a Contractor.

PROVIDER: Any person or entity who contracts with AHCCCSA or a health plan for the provision of covered services to members according to the provisions A.R.S. § 36-2901 or any subcontractor of a provider delivering services pursuant to A.R.S. § 36-2901.

RECEIVED BUT UNPAID CLAIMS (RBUC): Claims that have been received by the Contractor but have not been paid. A claim is considered received the day it is physically received at the Contractor.

REINSURANCE: A risk-sharing program provided by AHCCCSA to the contractors for the reimbursement of certain contract service costs incurred for a member beyond a certain monetary threshold.

RELATED PARTY TRANSACTIONS: Transactions with a party that has, or may have, the ability to control or significantly influence a Contractor, or a party that is, or may be, controlled or significantly influenced by the Contractor. Control, for purposes of this definition, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an enterprise through ownership, by contract, or otherwise. "Related parties" or "Affiliates" include, but are not limited to, agents, managing employees, persons with an ownership or controlling interest in the disclosing entity, and their immediate families, subcontractors, wholly-owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or manage by any such entities or persons.

RISK POOL: An account(s) funded with revenue from which medical claims of risk pool members are paid. If the claims paid exceed the revenues funded to the account, the participating providers must fund part, or all, of the deficit. If the funding exceeds paid claims, part, or all, of the surplus is distributed to the participating providers. The Contractor and the provider share risk.

SOBRA: Section 9401 of the Sixth Omnibus Budget Reconciliation Act, 1986, as amended by the Medicare Catastrophic Coverage Act of 1988.

SOBRA FAMILY PLANNING SERVICES: A program that provides only family planning services for a maximum of 24 months to SOBRA women whose pregnancy has ended and who are not otherwise eligible for full Title XIX services.

SOCIAL SECURITY ADMINISTRATION (SSA): An agency of the Federal Government responsible for administering certain titles of the Social Security Act, as amended.

SUPPLEMENTAL SECURITY INCOME (SSI): Federal cash assistance program under Title XVI of the Social Security Act.

SUB-CAPITATION: A fixed premium paid by a Contractor to a provider of health care services with whom the Contractor has a contract. The provider is at risk for the designated services.

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF): A Federal cash assistance program under Title IV of the Social Security Act established by the Personal Responsibility and Work Opportunity Act of 1996. It replaced Aid to Families with Dependent Children (AFDC).

THIRD PARTY: An individual, entity or program that is, or may be, liable to pay all, or part of, the medical cost of injury, disease or disability of an AHCCCS applicant or member.

1.00 GENERAL INFORMATION

1.01 Purpose and Objective of the Guide

The purpose of the Reporting Guide for Acute Health Care Contractors with the Arizona Health Care Cost Containment System (Guide) is to set forth the monthly, quarterly and annual reporting requirements for acute care contracting health plans (Contractors). The primary objective of the Guide is to establish consistency and uniformity in reporting. This Guide is neither intended to limit the scope of audit procedures to be performed during the Contractor's annual certified audit, nor to replace the independent Certified Public Accountant's judgment as to the work to be performed. It is instead intended to define certain additional procedures and analysis to be performed and reported on by the applicable Contractor management on a periodic basis and by the independent Certified Public Accountants on an annual basis.

The contract with AHCCCS requires that Contractors furnish information from their records relating to the performance under the contract. Certain financial and statistical data are outlined in the contract as minimum reporting requirements. AHCCCS has developed a standard set of forms to be used to satisfy the financial reporting requirements as well as guidelines and minimum reporting requirements for the annual audited financial statements. This guide is intended to outline these requirements and also provide examples of required reports in the Appendix to the guide.

Contractors are required to utilize the Financial Statement Reporting Template provided by the Division of Health Care Management (DHCM) for submission of all required quarterly and annual reports.

1.02 Effective Dates and Reporting Time Frames

The provisions and requirements of this guide are effective October 1, 2003. As deemed necessary, amendments and/or updates to this guide may be issued by AHCCCS.

Monthly reporting, when required, is due within 30 days of each month end, using either the Contractor's internal financial statement format or the AHCCCS Reporting Guide format.

Quarterly reporting is due within 60 days of each quarter end.

A draft of the annual audited financial statements, supplemental schedules, annual reconciliation and management letter are due within 90 days of the Contractor's fiscal year end. The Final annual audited financial statements, annual reconciliation, management letter and all other annual financial reports are due within 120 days of the Contractor's fiscal year end.

If a due date falls on a weekend or a State recognized holiday, reports will be due the following business day.

See Section 2.00 for a complete listing of monthly, quarterly and annual filing requirements.

1.03 Sanctions

Failure to file with AHCCCS, accurate, timely and complete financial statements and related deliverables may result in monetary penalties until such statements or deliverables are received by AHCCCS.

If a Contractor knowingly and willfully makes, or causes to be made, any false statement or misrepresentation of a material fact in any statement or disclosure filed pursuant to this policy, the Contractor may be fined one percent of one month's capitation or $10,000, whichever is greater.

AHCCCS may refuse to enter into a contract and may suspend or terminate an existing contract if the Contractor fails to disclose ownership or control information and related party transactions as required by AHCCCS policy.

2.00 FINANCIAL REPORTING REQUIREMENTS

The table on the following page represents the financial reporting requirements and the applicable due dates. Detailed descriptions of the required reports may be found in Section 3.00 and Section 4.00 of this Guide.

REPORT DUE DATES

REPORT	Monthly Reporting	Quarterly Reporting	Draft Annual Financial Reporting	Annual Financial Reporting
Due Date:	**30 days after month end**	**60 days after quarter end**	**90 days after year end**	**120 days after year end**
Quarterly Certification Statement	X	X		
Financial Statement Template Audit Report		X		
Balance Sheet Report - Part A: Assets	X	X	X	X
Balance Sheet Report - Part B: Liabilities & Equity	X	X	X	X
Revenue & Expense Statement	X	X	X	X
Investments Reports		X		
Capitation, Delivery, Hospital, HIV/AIDS Supplement, TWG/PPC Receivable Report		X		
Risk Pool Receivable/Payable Report		X		
Other Assets Report		X		
Other Liabilities Report		X		
Medical Claims Payable Report (RBUCs and IBNR)		X	X	X
Claims Lag Reports – PPC and Prospective (Hospitalization, Medical & Other)		X	X	X
Long-term Debt Report (other than Affiliates)		X		
Profitability by Risk Group (TANF) (Other) (Total)		X	X	X
Sub-Capitated Expenses Report		X		
Capitation Receivable Detail		X		
Footnote Disclosure Requirements		X	X	X
HIV/AIDS Report for Supplemental Payment Calculation		X		
FQHC Reasonable Cost Reimbursement Report		X		
Parent Company Financial Statements (if applicable)		X	X	X
Quarterly Premium Tax Report		X		
Independent Auditor's Report			X	X
Statement of Cash Flows			X	X
Listing of Plan Officers and Directors			X	X
Management Letter			X	X
Annual Reconciliation			X	X
Financial Disclosure Statement				X

3.00 INSTRUCTIONS FOR COMPLETION OF QUARTERLY AND ANNUAL REPORTING FORMS

3.01 General Instructions

All reports must be reported using the accrual basis of accounting. The Contractor shall submit these forms both electronically and in hard copy using the Financial Statement Reporting Template provided by the Division of Health Care Management (DHCM). Amounts reported to AHCCCS under this guide are to represent the AHCCCS acute care business independent of any other line of business in which the Contractor may be engaged. The financial statements must at least separate these lines of business in the form of additional supplemental schedules, if they are not separately presented in the financial statements themselves.

Draft annual audited financial statements and supplemental reports should be complete with all attachments and schedules and be as close to final as possible. There should be only minimal changes between the draft and final submissions.

Supplemental reports which are due annually may be submitted separately from the annual financial statements, along with a separate letter from the auditors acknowledging that they have reviewed the supplemental reports. See Section 2.00 for required supplemental reports.

Report line titles and columnar headings are detailed in the report specific paragraphs below. Utilize predefined categories or classifications before reporting an amount as "Other". For any material amounts included in the "Other" category, provide details and explanations in the footnotes regarding the content of the account(s). For this purpose, material is defined as an amount $\geq$ 5% of the total for each section. For example, if Other Income is reported and it is less than 5% of Total Revenues, no disclosure is necessary. However, if Other Income was 8% of Total Revenues, disclosure is necessary (see Paragraph 3.06 for Footnote Disclosure Requirements).

If information is not available or applicable, write "None", not applicable (N/A), or "-0-" in the space provided.

3.02 Certification Statement

The purpose of the certification statement is to attest that the information submitted in the reports is current, complete, and accurate. The statement should include the Contractor name, Contractor identification number, quarter ended, preparer information, and signatures. See Appendix A for an example of the Certification Statement.

3.03 Financial Statement Reporting Template Audit Report

The Financial Statement Reporting Template Audit Report lists the required audit criteria that must be passed prior to the submission of quarterly financial statements. If the audit check figures do not match, data should be corrected or an explanation should be provided in

writing and submitted with the quarterly financial statement reporting package. See Appendix B for an example of this report.

3.04 Balance Sheet (Statement of Net Assets - governmental entities)

CURRENT ASSETS are assets that are expected to be converted into cash or used or consumed within one year from the balance sheet date. Restricted assets for the performance bond, contracts, reserves, etc., are not to be included as current assets.

A/C 105 - Cash and Cash Equivalents

Include: Cash and cash equivalents, available for current use. Cash equivalents are investments maturing 90 days or less from the date of purchase.

Exclude: Restricted cash (and equivalents) and any cash (and equivalents) pledged by the Contractor to satisfy the AHCCCS performance bond requirement.

A/C 110 - Short-term Investments

Include: Investments that are readily marketable and that are expected to be redeemed or sold within one year of the balance sheet date. See Investments Report (Paragraph 4.01) for investments that require prior approval from AHCCCS and required detail of this line item.

Exclude: Investments maturing 90 days or less from the date of purchase and restricted securities. Also exclude investments pledged by the Plan to satisfy the AHCCCS performance bond requirement.

A/C 115 - Capitation/SOBRA, Delivery, Hospital, HIV/AIDS Supplement Receivable

Include: Net amounts receivable from AHCCCS for capitation including PPC and TWG Settlement, Delivery, Hospital and HIV/AIDS supplements as of the balance sheet date. See Capitation, Delivery, Hospital and HIV/AIDS Supplement Receivable Report (Paragraph 4.02) for required detail of this line item.

A/C 120 - Reinsurance Receivable

Include: Billed and unbilled reinsurance, less any advances outstanding from AHCCCS. See discussion of Reinsurance in Paragraph 5.02.

A/C 125 - Investment Income Receivable

Include: Income earned but not yet received from cash equivalents, investments, on-balance sheet performance bonds, and short and long-term investments.

A/C 130 - Current Due from Affiliates

Include: The net amount of receivables due from affiliates expected to be collected within one year of the balance sheet date. Note that only the net amount is reported. All related party transactions that are not conducted in the normal course of business require written prior approval from AHCCCSA. Due from affiliate amounts should be described in the notes to the financial statements. See Paragraph 3.06 - #10.

Exclude: Amounts due from affiliates resulting from medical claims payable, capitation payable or other medical expense related items and non-current amounts due from affiliates.

A/C 135 - Risk Pool Receivable

Include: The amount of risk pool receivables collectible within one year of the balance sheet date. Note that only the net amount is reported. Therefore, there should not be a risk pool receivable and payable at the same time. However, individual risk pools may have either positive or negative balances. See the Risk Pool Receivable Report (Paragraph 4.03) for required detail of this line item.

A/C 140 - Other Current Assets

Include: The total current portion of Other Assets, which will include all other current assets (e.g., income taxes receivable) not accounted for elsewhere on the balance sheet. Any receivables from providers should be accounted for in this line item, and should not be netted against the IBNRs. See Other Assets Report (Paragraph 4.04) for required detail of this line item.

OTHER ASSETS

A/C 145 - General Performance Bond

Include: All cash and investments pledged to meet the AHCCCS performance bond requirement.

Exclude: Surety bonds or letters of credit that do not represent actual assets of the Contractor.

A/C 150 - Restricted Cash and Other Assets

Include: Cash, securities, receivables, etc., whose use is restricted.

Exclude: Cash and/or investments pledged by the Contractor to satisfy the AHCCCS performance bond requirement.

A/C 155 - Long-term Investments

Include: Investments that are expected to be held longer than one year. See Investments Report (Paragraph 4.01) for investments that require prior approval from AHCCCSA and required detail of this line item.

Exclude: Investments pledged by the Contractor to satisfy the AHCCCS performance bond requirement.

A/C 160 - Non-current Due from Affiliates

Include: The net amount of receivables due from affiliates not expected to be collected within one year of the balance sheet date. Note that only the net amount is reported. All related party transactions that are not conducted in the normal course of business require written prior approval from AHCCCSA. Non-current Due from affiliate amounts should be described in the notes to the financial statements. See Paragraph 3.06 - #10.

Exclude: Amounts due from affiliates resulting from medical claims payable, capitation payable or other medical expense related items and current amounts due from affiliates.

A/C 165 - Other Non-current Assets

Include: The total non-current portion of Other Assets, which will include all other non-current assets not accounted for elsewhere on the balance sheet. See Other Assets Report (Paragraph 4.04) for required detail of this line item.

PROPERTY AND EQUIPMENT consists of fixed assets including land, buildings, leasehold improvements, furniture, equipment, etc.

A/C 170 - Land

Include: Real estate owned by the Contractor.

A/C 175 - Buildings

Include: Buildings owned by the Plan, including buildings under a capital lease, and improvements to buildings owned by the Plan.

Exclude: Improvements made to leased or rented buildings or offices.

A/C 180 - Leasehold Improvements

Include: Capitalizable improvements to facilities not owned by the Plan.

A/C 185 - Furniture and Equipment

Include: Medical equipment, office equipment, data processing hardware and software (where permitted), and furniture owned by the Plan, as well as similar assets held under capital leases.

A/C 190 - Other – Property and Equipment

Include: All other fixed assets not falling under one of the other specific fixed asset categories.

A/C 195 - Accumulated Depreciation and Amortization

Include: The total of all depreciation and amortization accounts relating to the various fixed asset accounts.

CURRENT LIABILITIES are obligations whose liquidation is reasonably expected to occur within one year from the balance sheet date.

A/C 205 - Accounts Payable

Include: Amounts due to creditors for the acquisition of goods and services (trade and administrative vendors) on a credit basis.

Exclude: Amounts due to providers related to the delivery of health care services.

A/C 210 - Accrued Administrative Expenses

Include: Accrued expenses and management fees and any other amounts, estimated as of the balance sheet date (i.e., payroll, taxes). Also include accrued interest payable on debts.

A/C 215 - Capitation Payable

Include: Net amounts owed to providers for monthly capitation.

Exclude: Capitation amounts payable to AHCCCS as a result of an overpayment. (This amount should be reported in A/C 240 - Other Current Liabilities.)

A/C 220 - Medical Claims Payable

Include: The total from the detail listed in Medical Claims Payable report which will include the total of reported but unpaid claims (RBUCs) and incurred but not reported claims (IBNRs). See the Medical Claims Payable Report, Paragraph 4.06. See also, discussion on Medical Claims Liability in Paragraph 5.01.

Exclude: Risk Pool Payables.

A/C 225 - Risk Pool Payable

Include: The net amount of risk pool liabilities payable within one year of the balance sheet date. Note that only the net amount is reported, therefore there should not be a risk pool asset and liability at the same time. However, individual pools may have either positive or negative balances. See Risk Pool Receivable/Payable by Participant Report (Paragraph 4.03) for required detail of this line item.

A/C 230 - Current Portion of Long-term Debt

Include: The total current portion from the detail listed in the Long Term Debt Report (Other than Affiliates) which will include the principal amount on loans, notes, and capital lease obligations due within one year of the balance sheet date. See Long-Term Debt (Other than Affiliates) Report, Paragraph 4.08.

Exclude: Long-term portion of, and accrued interest on loans, notes, and capital lease obligations.

A/C 235 - Current Due to Affiliates

Include: The net amount of payables due to affiliates expected to be paid within one year of the balance sheet date. Note only the net amount is reported. All related party transactions that are not conducted in the normal course of business require written prior approval from AHCCCSA. Due to affiliate amounts should be described in the notes to the financial statements. See Paragraph 3.06 - #10.

Exclude: Amounts due to affiliates resulting from medical claims payable, capitation payable or other medical expense related items and non-current amounts due to affiliates.

A/C 240 - Other Current Liabilities

Include: The total current portion from the detail listed in the Other Liabilities Report, which will include those current liabilities not specifically identified elsewhere (i.e. income taxes payable and capitation amounts payable to AHCCCS). See Other Liabilities Report, Paragraph 4.05.

OTHER LIABILITIES are those obligations whose liquidation is not reasonably expected to occur within one year of the date of the balance sheet.

A/C 245 - Non-current Portion of Long-term Debt

Include: The total non-current portion from the detail listed in the Long-term Debt report which will include the long-term portion of principal on loans, notes, and capital lease obligations. See Long-Term Debt (Other than Affiliates) Report (Paragraph 4.08) for required detail of this line item.

Exclude: Current portion of, and accrued interest on loans, notes, and capital lease obligations.

A/C 250 - Non-current Due to Affiliates

Include: The net amount of payables due to affiliates not expected to be paid within one year of the balance sheet date. Note that only the net amount is reported. All related party transactions that are not conducted in the normal course of business require written prior approval from AHCCCSA. Due to affiliate amounts should be described in the notes to the financial statements. See Paragraph 3.06 - #10.

Exclude: Amounts due to affiliates resulting from medical claims payable, capitation payable or other medical expense related items and current amounts due to affiliates.

A/C 255 - Other Non-current Liabilities

Include: The total non-current portion of Other Liabilities, which will include those non-current liabilities not specifically identified elsewhere. See Other Liabilities Report (Paragraph 4.05) for required detail of this line item.

EQUITY includes preferred stock, common stock, treasury stock, additional paid-in capital, contributed capital, and retained earnings/fund balance.

A/C 505 - Preferred Stock

Include the total par value of Preferred Stock, or in the case of no-par shares, the stated or liquidation value.

A/C 510 - Common Stock

Include the total par value of Common Stock, or in the case of no-par shares, the stated value.

A/C 515 - Treasury Stock

Include the amount of Treasury Stock reported using the Par Value or Cost Method.

A/C 520 - Additional Paid-in Capital

Include amounts paid and contributed in excess of the par or stated value of shares issued.

A/C 525 - Contributed Capital

Include capital donated to the Contractor. Describe the nature of the donation as well as any restrictions on this capital in the notes to financial statements.

A/C 530 - Retained Earnings/Net Assets (Liabilities)

Include the undistributed and unappropriated amount of earned surplus.
Beginning retained earnings balance for a new fiscal year should agree to the ending retained earnings balance from the previous fiscal year and should remain constant during the fiscal year.

3.05 Statement of Revenues and Expenses

REVENUES

A/C 305 - Capitation

Include: Revenue recognized on a prepaid basis from AHCCCS for provision of prospective health care services for AHCCCS eligible acute care members.

Exclude: All other capitation, such as DES/DD, ALTCS, and PPC.

A/C 310 - PPC Capitation

Include: Revenue recognized from AHCCCS for the provision of prior period coverage health care services for AHCCCS eligible acute care members.

Exclude: All prospective, DES/DD, or ALTCS capitation.

A/C 312 - Hospital Supplement

Include: Hospital supplement revenue earned as of the statement date.

Exclude: All prospective, PPC, DES/DD, or ALTCS capitation.

A/C 315 - Delivery. Supplement

Include: Delivery supplement revenue earned as of the statement date.

Exclude: Capitation for SOBRA women and children.

A/C 320 - HIV-AIDS Supplement

Include: HIV-AIDS supplement revenue earned as of the statement date.

A/C 321 - TWG Settlement

Include: Title XIX Waiver Group (TWG) reconciliation settlement revenue earned as of the statement date. Estimated TWG reconciliation settlement revenue should be accrued in the period that it is earned.

A/C 322 - PPC Settlement

Include: Prior Period Coverage (PPC) reconciliation settlement revenue earned as of the statement date. Estimated PPC reconciliation settlement revenue should be accrued in the period that it is earned.

A/C 325 - Investment Income

Include: All investment income earned during the period. Interest income and interest expense should not be net together.

A/C 330 - Other Income (Specify)

Include: Revenue from sources not identified in the other revenue categories.

EXPENSES All expenses must be reported net of Medicare reimbursement.

Hospitalization Expenses include only those expenses for Inpatient hospital services.

A/C 402 - Hospital Inpatient

Include: All contracted or fee for service expenses for hospital inpatient services, including room, board, and ancillary expenses.

Exclude: Risk pool hospital expenses and any prior period coverage hospital expenses.

A/C 404 - Hospital Risk Pool Expense

Include: The net hospital risk pool(s) expense/adjustment.

Exclude: Contracted or fee for service hospital inpatient expenses.

A/C 406 - PPC – Hospital Inpatient

Include: Contracted, fee for service or risk pool expenses related to prior period coverage hospital inpatient services.

Exclude: Prospective hospital inpatient expenses.

Medical Compensation Expenses include compensation paid for physician and non-physician services.

A/C 408 - Primary Care Physician Services

Include: Contracted or fee for service expenses for primary care delivery and other practitioners, including Early and Periodic Screening, Diagnosis and Treatment (EPSDT).

Exclude: Risk pool and any prior period coverage medical compensation expenses.

A/C 410 - Referral Physician Services

Include: Contracted or fee for service expenses for referral (specialist) physician services.

A/C 412 - Physician Risk Pool Expense

Include: The net physician risk pool(s) expense/adjustment for medical compensation expenses for the period.

Exclude: Contracted or fee for service medical compensation expenses.

A/C 414 - PPC – Physician Services

Include: All contracted, fee for service or risk pool expenses related to prior period coverage medical compensation services (i.e., PCP and referral physician services).

Exclude: Prospective physician services expenses.

Other Medical Expenses include various services provided to members on an outpatient basis. Services include emergency services, pharmacy, lab, radiology, etc. Expenses should include all contracted or fee for service expenses for these services.

A/C 416 - Emergency Services

Include: Those expenses relating to emergency room services provided on an outpatient basis, including any facility fees.

A/C 418 - Pharmacy

Include: Pharmacy expenses incurred for outpatient services.

Exclude: Pharmacy expenses incurred for dental.

A/C 420 - Lab, X-ray and Medical Imaging

Include: Pathology, Laboratory and radiology (medical imaging, x-ray) expenses incurred for outpatient services.

A/C 422 - Outpatient Facility

Include: Outpatient facility expenses incurred for outpatient services.

Exclude: Physician expense for surgery (this should be included in A/C 410 above).

A/C 424 - Durable Medical Equipment

Include: Medical equipment, medical supplies, medical appliances and oxygen expenses incurred for outpatient services.

A/C 426 - Dental

Include: Dental expenses incurred for outpatient services, including outpatient surgery, pharmacy, lab, and radiology specifically related to a dental diagnosis.

A/C 428 - Transportation

Include: Medically necessary transportation expenses incurred for inpatient and outpatient services, both emergency and non-emergency.

A/C 430 - NF, Home Health Care

Include: Expenses relating to nursing facility (NF) and home health care including durable medical equipment expense incurred in a NF or home health care setting. Examples include: Intermediate Care Facility and Skilled Nursing Facility.

A/C 432 - Physical Therapy

Include: Physical, occupational, respiratory, speech/hearing therapy and habilitation, rehabilitation and environmental expenses incurred for outpatient services.

A/C 434 - Other Risk Pool Expense/Adjustment for Medical Expenses

Include: The net other risk pool(s) expense/adjustment for medical expenses for the period.

A/C 436 - Miscellaneous Medical Expenses

Include: Outpatient expenses not specifically identified in one of the categories defined above.

A/C 438 - PPC – Other Medical Expenses

Include: Outpatient expenses incurred for services provided to members in the prior period coverage period.

A/C 440 - Reinsurance

Include: Prospective reinsurance earned as of the statement date. See discussion in Paragraph 5.02.

A/C 441 - PPC Reinsurance

Include: Prior period coverage reinsurance earned as of the statement date. See discussion in Paragraph 5.02.

A/C 442 - Third Party Liability

Include: Revenue from settlement of accident claims or other third party sources.

NOTE: A/C's 440, 441 and 442 should be reported as negative numbers, to allow the Financial Statement Reporting Template to properly net the amounts out of medical expense.

Administrative Expenses are those costs associated with the overall management and operation of the Contractor.

A/C 444 - Compensation

Include: All forms of compensation, including employee benefits and taxes, to administrative personnel. This includes medical director compensation, whether on salary or contract.

A/C 446 - Data Processing

Include: Costs for outside data processing services during the period as well as internal data processing expenses, other than compensation.

Exclude: Compensation for any internal data processing personnel as this is reported in A/C 444.

A/C 448 - Management Fees

Include: Management fees paid or payable by the Contractor for the current period to a parent or an outside management company.

A/C 450 - Interest Expense

Include: Interest expense incurred on outstanding debt during the period. Interest income and interest expense should not be net together.

A/C 452 - Occupancy

Include: Occupancy expenses incurred, such as rent and utilities, on facilities that are not used to deliver health care services to members.

A/C 454 - Depreciation

Include: Depreciation on those assets that are not used to deliver health care services to members.

A/C 456 - Marketing

Include: Expenses related to any form of exchange whereby the intent is to promote or increase the membership of the Contractor.

A/C 458 - Other – Administrative Expenses

Include: Administrative expenses not specifically identified in the categories above.

N/A Non-operating Income (Loss)

Include: Gains and losses on sale of investments and fixed assets during the period and any other non-operating income or loss.

N/A Provision for Income Taxes

Include: Provision for income and premium taxes for the period.

3.06 Footnote Disclosure Requirements

Footnote disclosures are required in order to supplement AHCCCS' understanding of the financial statements and supplemental schedules. The following list represents minimum expected disclosures and is not intended to be all-inclusive. Disclosures required by GAAP should also be included. If the disclosure does not apply, indicate so by writing "None" or "Not Applicable (N/A)" next to the numbered footnote.

1) Organizational Structure:

Discuss the organization structure, location of its headquarters, and a brief summary of the operations of the Contractor.

2) Summary of Significant Accounting Policies:

Discuss accounting policies relating to significant balance sheet line items such as, but not limited to, cash and cash equivalents, investments and medical claims payable. Specifically, the medical claims payable policy should discuss the methodology used in calculating IBNR balances.

Discuss revenue and expense recognition policies for the following:

- Capitation revenue; Delivery, Hospital and HIV/AIDS Supplemental revenue; PPC and TWG Settlement
- Reinsurance revenue
- Other revenue
- Medical expenses

- Administrative expenses

3) Other Amounts:

Describe material amounts included in the "other" and "miscellaneous" categories in the Balance Sheet and Statement of Operations. Material amounts are considered greater than 5% of the related total category (i.e., assets, liabilities, revenues, total other medical expenses, or administrative expenses).

4) Pledges/Assignments and Guarantees:

Describe any pledges, assignments, or collateralized assets and any guaranteed liabilities not disclosed on the balance sheet.

5) Performance Bond:

Disclose the method by which the Contractor satisfied the AHCCCS performance bond requirement for the quarter. This disclosure is required whether or not the amounts are included in the financial statements. Also indicate under or over funding and the associated reasons.

6) Material Adjustments:

Disclose and describe any material adjustments made during the current reporting period, including those adjustments that may relate to a prior period, specifically IBNR adjustments, that affect the financial statements.

7) Claims Payable Analysis:

Explain large fluctuations and/or revisions in estimates and the factors that contributed to the change in IBNR and RBUC balances from the prior quarter. Specifically, address changes in IBNRs and/or RBUCs of more than 10% (on an IBNR or RBUC per member basis). Explanations should detail the amount of the adjustments by quarter and by risk group.

8) Contingent Liabilities:

Provide details of any malpractice or other claims asserted against the Plan, as well as the status of the case, potential financial exposure and expected resolution.

9) Investments:

Long-term investments that may be liquidated without significant penalty within 24 hours, which the Plan would like treated as current assets for calculation of the current ratio, must be disclosed in the footnotes. Descriptions and amounts should be disclosed. (Note that significant penalty in this instance is any penalty greater than 20%.) Also disclose the amount of Unrealized Gains or Losses reported on the financial statements associated with these investments.

10) Due from/to Affiliates (Current and Non-current):

Describe, in detail, the composition of the due to/from affiliates including the name of the affiliate, a description of the affiliation, amount due to/from the affiliate and a description of any significant changes to the line item.

11) PPC / TWG Settlement Accrual:

Provide detail, by contract year, of accrual amounts recorded in the Capitation/Delivery, Hospital, HIV/AIDS Supplement Receivable line (A/C 115).

12) Equity Activity:

Disclose all activity in equity, other than net income or net loss.

13) Non-Compliance with Financial Viability Standards and Performance Guidelines:

Disclose any non-compliance with Financial Viability Standards and Performance Guidelines, the factors causing the non-compliance and the plan of action to resolve the issue(s).

14) Changes in Financial Statement Line Items:

Describe significant changes (greater than 10% on a dollar and/or PMPM basis) in balance sheet and revenue and expense line items. Provide an explanation of the contents of the line item and the reason for the significant fluctuation.

4.00 SUPPLEMENTAL REPORTS

See Appendix E for examples of supplemental reports.

4.01 Investments Report

List all investments, short-term and long-term, that are included in the Balance Sheet - A/C's 110 and 155. The investment description should include the name of the issuer of the security or instrument. The investments should be separated by type, i.e. bond, stock, etc. Investments not included in any of the specified types listed in the report should be included in "other". The investment category is based on the classification of the investment under FASB 115 or 124 (i.e., available-for-sale, held-to-maturity, or trading).

Restricted investments or those pledged to meet the AHCCCS performance bond requirement should not be included herein. Such investments should be included in A/C 145 of the Balance Sheet. All investments, with the exception of U.S. Government Securities, must be approved in advance by AHCCCSA. Approval of the Contractors's Investment Policy may satisfy this requirement.

4.02 Capitation, Delivery, Hospital, HIV/AIDS Supplement, TWG/PPC Reconciliation Receivable

List the amounts, by receivable type, that are included in the Balance Sheet – A/C 115. Amounts related to the TWG and PPC receivable should be detailed out by contract year.

4.03 Risk Pool Receivable/Payable by Participant Report

List all participants in the risk pool(s) and their risk pool type (i.e., hospital, physician, or other). Include the end of period risk pool balance. The ending balance for the total of all participants should agree to the Balance Sheet - A/C 135 (if receivable) or - A/C 225 (if payable).

4.04 Other Assets Report

Include all other assets (current and non-current) in the appropriate categories provided. List all individual assets greater than 5% of total other assets and list the total of others not individually greater than 5%. The ending balances for current assets should agree to A/C 140 and non-current assets to A/C 165 of the Balance Sheet.

4.05 Other Liabilities Report

Include all other liabilities (current and non-current) in the appropriate categories provided. List all individual liabilities greater than 5% of total other liabilities and list the total of others not individually greater than 5%. The ending balances for current liabilities should agree to A/C 240 and non-current liabilities to A/C 255 of the Balance Sheet.

4.06 Medical Claims Payable (RBUCs and IBNRs) Report

Received but unpaid claims (RBUCs) are to be reported by the appropriate expense (i.e., hospitalization, medical, and other) and aging (i.e., 1-30 days, 31-60 days, 61-90 days and over 90 days) categories. A claim becomes an RBUC the day it is received by the Contractor, not the day it is processed/adjudicated. The incurred but not reported (IBNR) claims should be reported in the IBNR column by the appropriate category (i.e., hospitalization, medical, and other). The total payable for hospitalization, medical and other should agree to the total on the hospitalization lag, the medical lag and the other lag (Paragraph 4.07). This schedule is divided between prospective period data and PPC period data. The first three line items are to report RBUC's and IBNR related to the prospective period. The Total Prospective line item should agree to the prospective total RBUCs and the prospective total IBNR for hospitalization, medical and other per the balance sheet. RBUC and IBNR for prospective hospitalization, medical (physician) and other medical. A separate line entitled 'Total Prior Period Coverage' is used to report RBUC's and IBNR for the PPC period. The PPC total RBUCs and PPC total IBNR should be equal to the Balance Sheet for PPC-RBUCs and PPC-IBNR. The total payable should be equal to the Balance Sheet A/C 220 Medical Claims Payable. See discussion on Medical Claims Liability in Paragraph 5.01.

4.07 Lag Reports for PPC and Prospective Period

The instructions below apply the Hospitalization Lag, Medical Compensation Lag and Other Lag reports. These schedules are for PPC and prospective period information.

The schedules are arranged with dates of service horizontally and quarter of payment vertically. Therefore, payments made during the current quarter for services rendered during the current quarter are reported on row 1, column 2, while payments made during the current quarter for services rendered in prior quarters are reported on row 1, columns 3 through 8. Do not include risk pool distributions or sub-capitation as payments in this schedule.

Expense reported in the current period on the Lag Reports should equal the expenses reported in the statement of Operations less the expenses reported in the sub-capitated expense report by hospital, medical compensation and other (excluding risk pool expenses).

The schedules allow for the inclusion of an adjustment (e.g., for provider refunds) amount to the lag schedule. A general explanation of any adjustments should be included in the footnotes as well as additional detail if any adjustment is greater than 5% of total medical claims payable.

The total on the hospitalization lag, the medical compensation lag and the other lag should be equal to the total payable for hospitalization, medical and other on the Medical Claims Payable (RBUCs and IBNRs) Report.

4.08 Long-term Debt (Other than Affiliates) Report

List all loans, notes payable and capital lease obligations by lender as well as by current and long-term portions of outstanding principle at the end of the quarter (exclude debt to affiliates, this is to be reported on the Due (to) from Affiliates line). The totals should equal the amounts reported on the Balance Sheet – A/C's 230 and 245.

4.09 Analysis of Profitability by Risk Group Report

This report provides an analysis of revenues and expenses by county by major risk group classification. A report is to be completed for each county in which the Contractor operates, and in total. The instructions for the Statement of Operations are to be utilized in defining line items on this report. The sum totals of all line items for all counties should equal the Statement of Operations.

Investment Income and Total Administration expense are to be allocated to the risk groups proportionately, based on a common factor such as member months or capitation revenue.

4.10 Sub-capitated Expenses Report

This report is a summary of sub-capitation expenses, by risk group, by individual expense line item. Only the accounts listed in this report should have associated sub-capitation expenses. The information will assist in calculating the RBUC's Days Outstanding performance guideline.

4.11 FQHC Reasonable Cost Reimbursement Report

List quarterly member month information by category (i.e., Categorical by SOBRA/AFDC and SSI, Categorical Linked Expansion, Federal Non-Categorical Linked Expansion, and Federal Non-Categorical Linked Conversion) for each FQHC. Any member assigned to the FQHC on the 1st day of the month should be counted as one member month. Partial months will not be counted.

Report total fee-for-service and capitation amounts paid during the reporting period, by FQHC.

Contractors are responsible for maintaining a detailed listing, by month, of members submitted. Listing should include member name, AHCCCS ID#, primary care physician, FQHC assigned, rate code and amounts paid. This list may be subject to AHCCCS review.

4.12 HIV/AIDS Supplemental Payment Report

List an unduplicated count of members, by category, by month, using the approved HIV/AIDS medications. The Contractor must develop a means for ensuring that the member is actually receiving the HIV/AIDS medication. The member must have been enrolled with the Contractor for at least 15 days of the applicable month that they received an HIV/AIDS medication.

Adjustments can be made for the two previous quarters, in the event that the Contractor under-reported qualified members receiving HIV/AIDS medications. Contractors also should use the HIV/AIDS Supplemental Payment Report adjustment form for previous quarters to notify AHCCCS of any over-reporting of qualified members, regardless of the length of time involved, and should provide an explanation for any adjustments reported, whether due to under-reporting or over-reporting.

The Contractors should submit to AHCCCSA, along with the HIV/AIDS Supplemental Payment Report, a pharmacy log and a monthly detailed listing of members submitted for payment on the quarterly HIV/AIDS Supplemental Payment Report. The pharmacy log should contain the member name, AHCCCS ID, the month the payment was made, the

dispense date and the NDC code. The monthly detailed listing of members should include the month, member name and AHCCCS ID number.

4.13 Consolidated or Parent Company Financial Statements (if applicable)

Contactors that are a wholly owned subsidiary of another organization must submit quarterly unaudited financial information of the parent or sponsoring organization (balance sheet and income statement only).

4.14 Annual Financial Disclosure Statement

An annual financial disclosure statement must be submitted to AHCCCSA 120 days after year-end. The financial disclosure statement, and instructions for completion, may be found in the Acute Care Request For Proposal, Section G, issued February 3, 2003, as amended.

4.15 Annual Reconciliation

In addition to the annual audited financial statements, a reconciliation of the Contractor's final year-to-date quarterly financial statements to the draft annual audited statements must be submitted with the draft audited statements. If there are changes between the draft and the final audited statements, a reconciliation of the Contractor's final year-to-date quarterly financial statements to the final annual audited statements must be submitted with the final audited statements. See Appendix E for an example of the annual reconciliation.

4.16 Parent Company Annual Audit Report (if applicable)

Contractors that are wholly owned subsidiaries must submit audited financial statements of the parent or sponsoring organization no later than 120 days after the parent company's fiscal year end.

4.17 Management Services Subcontractor Annual Audit Report (if applicable)

A management services subcontractor is a person or organization that agrees to perform any administrative function or service for the Contractor specifically related to securing or fulfilling the Contractor’s obligations to AHCCCSA under the terms of the contract. Management services subcontractors that have oversight responsibilities for the Contractor’s program operations (such as third-party administrators, management companies, claims processing contractors) are required to have an annual financial audit. A copy of this audit shall be submitted to AHCCCSA, Division of Health Care Management, within 120 days of the subcontractor's fiscal year end. If services billed by a consultant or actuary are less than $50,000 annually, AHCCCSA will waive the requirement for an audit of that consultant or actuary.

4.18 Quarterly Premium Tax Report

Submit a copy of the Quarterly Premium Tax Report that was filed for the reporting period. See Appendix E for an example of this report.

5.00 ACCOUNTING AND REPORTING ISSUES

5.01 Medical Claims Liability (Including Claim Estimations RBUCs and IBNRs)

There are three primary components of claims expense:

- Paid claims,
- Received but unpaid claims (RBUCs). A claim is considered an RBUC immediately upon receipt by the Plan and should be tracked as such. The processing status of an RBUC is either pended, in process or payable, and
- Incurred but not reported claims (IBNRs).

The first two components of claims expense are readily identifiable as part of the basic accounting systems utilized by the Plans. Since these components, along with a well-established prior authorization and referral system, form the basis for estimation of IBNRs, it is important that Plans have adequate claims accrual and payment systems. These systems must be capable of reporting claims on an incurred or date of service basis, have the capacity to highlight large outlier cases, possess sufficient internal controls to prevent and detect payment errors, and conform to regular payment patterns. Once IBNR estimates have been established, it is imperative that the Plans continually monitor them with reference to reported and paid claims.

Claims expense cannot be properly evaluated without adequate consideration of current trends and conditions. The following summarizes claims environment factors that should be considered:

- Changes in policy, practice, or coverage
- Fluctuations in enrollment by rate code category
- Expected inflationary trends
- Trends in claims lag time
- Trends in the length of hospital inpatient stay by rate code category
- Changes in rate code case mix
- Changes in contractual agreements

<u>Elements of an IBNR System</u>
IBNRs are difficult to estimate because the quantity of service and exact service cost are not always known until claims are actually received. Since medical claims are the major expenses incurred by AHCCCS Plans, it is extremely important to accurately identify costs for outstanding unbilled services. To accomplish this, a reliable claims system and a logical IBNR methodology are required.

Selection of the most appropriate system for estimating IBNR claims expense requires judgment based on a Plan's own circumstances, characteristics, and the availability and reliability of various data sources. Using a primary estimation methodology, along with supplementary analysis, usually produces the most accurate IBNR estimates. Other common elements needed for a successful IBNR system are:

1. An IBNR system must function as part of the overall financial management and claims system. These systems combine to collect, analyze, and share claims data. They require effective referral, prior authorization, utilization review and discharge planning functions. Also, the Plan must have a full accrual accounting system. Full accrual accounting systems help properly identify and record the expense, together with the related liability, for all unpaid and unbilled medical services provided to Plan members.

2. An effective IBNR system requires the development of reliable lag tables that identify the length of time between provision of service, receipt of claims, and processing and payment of claims by major provider type (hospital, medical compensation and other medical). Reliable claims/cash disbursement systems generally produce most of the necessary data. Lag tables, and the projections developed from them, are most useful when there is sufficient, accurate claims history which shows stable claims lag patterns. Otherwise, the tables will need modification, on a proforma basis, to reflect corrections for known errors or skewed payment patterns. The data included in the lag schedules should include all information received to date in order to take advantage of all known amounts (i.e., RBUCs and paid claims).

3. Accurate, complete, and timely claims data should be monitored, collected, compiled and evaluated as early as possible. Whenever practical, claims data collection and analysis should begin before the service is provided (i.e., prior authorization records). This prospective claims data, together with claims data collected as the services are provided, should be used to identify claims liabilities.

4. Claims data should also be segregated to permit analysis by major rate code, county, major provider, and category of service.

5. Subcontractor agreements should clearly state each party's responsibility for claims/encounter submission, prior notification, authorization, and reimbursement rates. These agreements should be in writing, clearly understood and followed consistently by each party.

6. The individual IBNR amounts, once established, should be monitored for adequacy and adjusted as needed. If IBNR estimates are subsequently found to be significantly inaccurate, analysis should be performed to determine the reasons for the inaccuracy. Such an analysis should be used to refine a Plan's IBNR methodology if applicable.

There are several different methods that may be used to determine the IBNR amount. Examples include, but are not limited to, Case Basis, Average Cost and Lag Tables. The Contractor should employ the one that best meets its needs and accurately estimates its IBNR. The IBNR methodology used by the Plan must be evaluated by the Contractor's Independent Public Accountant or actuary for reasonableness. A description of the process should also be included in the footnotes to the financial statements under the Summary of Significant Accounting Policies.

5.02 Reinsurance

Reinsurance provides reimbursement to the Contractors when extraordinary costs associated with a member are incurred during a contract year. Specific deductible amounts and

reimbursement rates are in the Acute Care Request for Proposal, including any amendments, issued February 3, 2003.

AHCCCS rules require Contractors to pay the medical expenses relating to reinsurance prior to reimbursement from AHCCCS. This creates a receivable from AHCCCS to the Contractors. The receivable consists of two components; known claims and unknown claims. The known claims have been received by the Contractor. The unknown portion of the receivable relates to expenses for which the Contractor has not received claims, and should be tied into the Contractor's IBNR estimates (see discussion at Paragraph 5.01).

5.03 Related Parties/Affiliates

AHCCCS monitors the existence of related party transactions in order to determine if any significant conflicts of interest exist in the Contractor's ability to meet AHCCCS objectives. A related party or affiliate may be defined as anyone who has the power to control or significantly influence the Contractor or be controlled or significantly influenced by the Contractor. Accordingly, subsidiaries, parent companies, sister companies, and entities accounted for by the equity method are considered related parties, as are principal owners, Board of Director members, management, and their immediate families, and other entities controlled or managed by any of the previously listed entities or persons, including management companies. Related party transactions include all transactions between the Contractor and such related parties, regardless of whether they are conducted in an arm's length manner or are not reflected in the accounting records (e.g., the provision of services without charge or guarantees of outstanding debt).

Transactions with related parties may or may not be in the normal course of business. In the normal course of business, there may be numerous routine and recurring transactions with parties who meet the definition of a related party. Although each party may be appropriately pursuing its respective best interest, transactions between them must be disclosed and reviewed for reasonableness.

5.04 Financial Viability Standards and Performance Guidelines

AHCCCSA has established financial viability standards and performance guidelines. On a quarterly basis, AHCCCSA reviews the following ratios with the purpose of monitoring the financial health of the Contractor. The two financial viability standards, Current Ratio and Equity per Member, are the standards that best represent the financial solvency of the Contractor. Therefore, the Contractor must comply with these two financial viability standards.

AHCCCSA will also monitor the Medical Expense Ratio, the Administrative Cost Percentage, and the RBUC's Days Outstanding. These guidelines are analyzed as part of AHCCCSA's due diligence in financial statement monitoring. Sanctions may not be imposed if the Contractor does not meet these performance guidelines. AHCCCSA takes into account Contractors' unique programs for managing care and improving the health status of members when analyzing medical expense and administrative ratio results. However, if a critical combination of the Financial Viability Standards and Performance Guidelines are not met, or if a Contractor's experience differs significantly from other Contractors', additional monitoring, such as monthly reporting, may be required.

FINANCIAL VIABILITY STANDARDS

Current Ratio

Current assets divided by current liabilities. "Current assets" includes any long-term investments that can be converted to cash within 24 hours without significant penalty (i.e., greater than 20%).

Standard: At least 1.00

If current assets include a receivable from a parent company, the parent company must have liquid assets that support the amount of the inter-company loan.

Equity per Member

Equity, less on-balance sheet performance bond, divided by the number of non-SOBRA Family Planning Extension Services members enrolled at the end of the period.

Standard: At least $150 for Contractors with enrollment < 100,000
$100 for Contractors with enrollment of 100,000+

For purposes of this measurement, the equity to be measured must be supported by unencumbered current assets.

(Failure to meet this standard may result in an enrollment cap being imposed in any or all contracted GSAs.)

PERFORMANCE GUIDELINES

Medical Expense Ratio

Total medical expenses divided by total capitation + Delivery Supplement + Hospital Supplemental Payment +TPL+ Reinsurance + HIV/AIDS Supplement + TWG Settlement + PPC Settlement-Premium Tax.

Standard: At least 80%

Administrative Cost Percentage

Total administrative expenses (excluding income taxes), divided by total capitation + Delivery Supplement + Hospital Supplemental Payment + TPL + Reinsurance + HIV/AIDS Supplement + TWG Settlement + PPC Settlement-Premium Tax.

Standard: No more than 10%

Received But Unpaid Claims (Days Outstanding)

Received but unpaid claims divided by the average daily medical expenses for the period, net of sub-capitation expense.

Standard: No more than 30 days

6.00 APPENDIX

Appendix A: Balance Sheet
Appendix B: Statement of Revenues and Expenses
Appendix C: Quarterly Certification Statement
Appendix D: Financial Statement Reporting Template Audit Report
Appendix E: Supplemental Reports

Balance Sheet
(Paragraph 3.04)

		Year End: 2XXX				
Health Plan Name		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	**YTD**
Quarter Ended: 12/31/2XXX		12/31/2XXX	3/31/2XXX	6/30/2XXX	9/30/2XXX	**9/30/2XXX**
	BALANCE SHEET					
	ASSETS					
	Current Assets					
105	Cash & equivalents	0	0	0	0	**0**
110	Short-term investments	0	0	0	0	**0**
115	Cap/SOBRA/HIV-AIDS Rec	0	0	0	0	**0**
120	Reinsurance rec	0	0	0	0	**0**
125	Investment income rec	0	0	0	0	**0**
130	Due from affiliates	0	0	0	0	**0**
135	Risk pool receivable	0	0	0	0	**0**
140	Other current assets	0	0	0	0	**0**
	Total Current Assets	0	0	0	0	**0**
	Other Assets					
145	Genr'l performance bond	0	0	0	0	**0**
150	Restricted cash/other	0	0	0	0	**0**
155	Long-term investments	0	0	0	0	**0**
160	Non-cur due from affiliates	0	0	0	0	**0**
165	Other non-current assets	0	0	0	0	**0**
	Total Other Assets	0	0	0	0	**0**
	Property & Equipment					
170	Land	0	0	0	0	**0**
175	Buildings	0	0	0	0	**0**
180	Leasehold improvements	0	0	0	0	**0**
185	Furniture & equipment	0	0	0	0	**0**
190	Other - P & E	0	0	0	0	**0**
	Total Prop & Equip	0	0	0	0	**0**
195	Less: Accum Depr	0	0	0	0	**0**
	Net Prop & Equip	0	0	0	0	**0**
	TOTAL ASSETS	0	0	0	0	**0**
	LIABILITIES					
	Current Liabilities					
205	Accounts payable	0	0	0	0	**0**
210	Accrued admin exp	0	0	0	0	**0**
215	Capitation payable	0	0	0	0	**0**
	Hospitalization RBUC	0	0	0	0	**0**
	Physician RBUC	0	0	0	0	**0**
	Other medical RBUC	0	0	0	0	**0**
	Total prospective RBUC	0	0	0	0	**0**
	PPC - RBUC	0	0	0	0	**0**
	Total RBUC	0	0	0	0	**0**
	Hospitalization IBNR	0	0	0	0	**0**
	Physician IBNR	0	0	0	0	**0**
	Other medical IBNR	0	0	0	0	**0**
	Total prospective IBNR	0	0	0	0	**0**
	PPC - IBNR	0	0	0	0	**0**
	Total IBNR	0	0	0	0	**0**

220	Medical claims payable	0	0	0	0	**0**
225	Risk pool payable	0	0	0	0	**0**
230	Curr portion - L-T Debt	0	0	0	0	**0**
235	Due to affiliates	0	0	0	0	**0**
240	Other current liabilities	0	0	0	0	**0**
	Total Current Liabilities	0	0	0	0	**0**
	Other Liabilities					
245	Non-curr portion L-T Debt	0	0	0	0	**0**
250	Non-curr due to affiliates	0	0	0	0	**0**
255	Other non-curr liabilities	0	0	0	0	**0**
	Total Other Liabilities	0	0	0	0	**0**
	TOTAL LIABILITIES	0	0	0	0	**0**
	EQUITY/NET ASSETS					
505	Preferred stock	0	0	0	0	**0**
510	Common stock	0	0	0	0	**0**
515	Treasury stock	0	0	0	0	**0**
520	Additional paid-in capital	0	0	0	0	**0**
525	Contributed capital	0	0	0	0	**0**
	Retained earnings - beg	0	0	0	0	**0**
	Increase (decrease) YTD	0	0	0	0	**0**
530	Ret earn/net assets	0	0	0	0	**0**
	TOTAL EQUITY/NA	0	0	0	0	**0**
	TOT LIAB & EQUITY/NA	0	0	0	0	**0**

Statement of Revenues and Expenses
(Paragraph 3.05)

		Year End: 2002				
Health Plan Name		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	**YTD**
Quarter Ended: 12/31/2XXX		12/31/2XXX	3/31/2XXX	6/30/2XXX	9/30/2XXX	**9/30/2XXX**
	REVENUE & EXPENSES					
	Member Months					
	SOBRA FPS Mmbr Mths	0	0	0	0	**0**
	PPC Member Months	0	0	0	0	**0**
	Pros. Member Months	0	0	0	0	**0**
	Total Member Months	0	0	0	0	**0**
	Pros. & FPS Mbr. Mths	0	0	0	0	**0**
	Pros. & PPC Mbr. Mths	0	0	0	0	**0**
	REVENUES					
305	Capitation	0	0	0	0	**0**
310	PPC Capitation	0	0	0	0	**0**
315	SOBRA Supplement	0	0	0	0	**0**
320	HIV-AIDS Supplement	0	0	0	0	**0**
321	TWG Settlement	0	0	0	0	**0**
322	PPC Settlement	0	0	0	0	**0**
325	Investment Income	0	0	0	0	**0**
330	Other Income	0	0	0	0	**0**
	TOTAL REVENUES	0	0	0	0	**0**
	EXPENSES					
	Hospitalization					
402	Hospital Inpatient	0	0	0	0	**0**
404	Hosp Risk Pool Exp	0	0	0	0	**0**
406	PPC-Hospital Inpatient	0	0	0	0	**0**
	Total Hospitalization	0	0	0	0	**0**
	Medical Compensation					
408	Primary Care Phy	0	0	0	0	**0**
410	Referral Phy	0	0	0	0	**0**
412	Phy Risk Pool Exp	0	0	0	0	**0**
414	PPC - Physician Services	0	0	0	0	**0**
	Total Medical Comp	0	0	0	0	**0**
	Other Medical Expenses					
416	Emergency Services	0	0	0	0	**0**
418	Pharmacy	0	0	0	0	**0**
420	Lab, X-ray, & med image	0	0	0	0	**0**
422	Outpatient Facility	0	0	0	0	**0**
424	Durable Med Equip	0	0	0	0	**0**
426	Dental	0	0	0	0	**0**
428	Transportation	0	0	0	0	**0**
430	NF, Home HC	0	0	0	0	**0**
432	Physical Therapy	0	0	0	0	**0**
434	Other Risk Pool Exp	0	0	0	0	**0**
436	Miscellaneous Med Exp	0	0	0	0	**0**
438	PPC-Other	0	0	0	0	**0**
	Total Other Medical	0	0	0	0	**0**
	TOTAL MEDICAL EXP	0	0	0	0	**0**
Less:						
440	Reinsurance	0	0	0	0	**0**
441	PPC-Reinsurance	0	0	0	0	**0**

442	Third Party Liability	0	0	0	0	**0**
	TOTAL NET MEDICAL EXP	0	0	0	0	**0**
	Administrative Expenses					
444	Compensation	0	0	0	0	**0**
446	Data Processing	0	0	0	0	**0**
448	Management Fees	0	0	0	0	**0**
450	Interest Expense	0	0	0	0	**0**
452	Occupancy	0	0	0	0	**0**
454	Depreciation	0	0	0	0	**0**
456	Marketing	0	0	0	0	**0**
458	Other	0	0	0	0	**0**
	TOTAL ADMIN EXP	0	0	0	0	**0**
	TOTAL EXPENSES	0	0	0	0	**0**
	Inc (loss) from operations	0	0	0	0	**0**
	Non-operating inc (loss)	0	0	0	0	**0**
	Inc (loss) before taxes	0	0	0	0	**0**
	Income taxes	0	0	0	0	**0**
	NET INCOME (LOSS)	0	0	0	0	**0**
Changes to Equity/Net Assets:						
	Equity/Net Assets at Beginning of Period:	0	0	0	0	**0**
505	Increase (Decrease) in Preferred Stock	0	0	0	0	**0**
510	Increase (Decrease) in Common Stock	0	0	0	0	**0**
515	(Increase) Decrease in Treasury Stock	0	0	0	0	**0**
520	Increase (Decrease) in Additional PIC	0	0	0	0	**0**
525	Increase (Decrease) in Contributed Capital	0	0	0	0	**0**
530	Other Increase (Decrease) Equity/Net Assets	0	0	0	0	**0**
	Net Income (Loss):	0	0	0	0	**0**
	Equity/Net Assets at End of Period:	0	0	0	0	**0**

QUARTERLY CERTIFICATION STATEMENT OF

_____

_____

TO THE

Arizona Health Care Cost Containment System

FOR THE QUARTER ENDED

_____

Name of Preparer _____

Title _____

Phone Number _____

I herby attest that the information submitted in the reports herein is current, complete, and accurate to the best of my knowledge. I understand that whoever knowingly and willfully makes or causes to be made a false statement or representation on the reports may be prosecuted under the applicable state laws. In addition, knowingly and willfully failing to fully and accurately disclose the information requested may result in denial of a request to participate, or where the entity already participates, a termination of a Plan's agreement or contract with the Arizona Health Care Cost Containment System. Failure to sign a Certification Statement will result in AHCCCS' non acceptance of the attached reports.

_____
(Date Signed)

_____
Signature

_____
(Date Signed)

_____
Signature

Financial Reporting Instructions:

This template has been set up to mirror the HPFRS schedules, with the exception of the Balance Sheet and the Revenue, Expense and Changes to Equity/Net Assets Statement.

1. On the certification cover sheet, fill in health plan name, plan number, quarter ended, preparer's information, and signatures.
2. Enter information in red cells only in all spreadsheets. Each sheet must be entered separately.
3. Each quarter, change "quarter ended" date on Balance Sheet. This will change information on each sheet.
4. Each quarter, prior to entering information, zero the county profitability spreadsheets and supplemental schedules (red cells only). County totals roll into total profitability spreadsheet. The totals on the total profitability spreadsheet should agree to the quarterly amounts on the Revenue, Expense, and Changes to Equity/Net Assets Statement.
5. Parent Company financial information is an added schedule that should be completed, if applicable.
6. Confirm that audit check figures below match. If they do not match, explain why on a separate sheet of paper.

Audit Report (Paragraph 3.03):
Health Plan Name
Quarter Ended: 12/31/2XXX

	Amount 1	Amount 2
Balance Sheet Total Assets= Balance Sheet Total Liabilities+ Balance Sheet Total Equity	$0	$0
Medical Claims Payable Hospitalization = Claims Lag Hospitalization	$0	$0
Medical Claims Payable Medical = Claims Lag Medical	$0	$0
Medical Claims Payable Other = Claims Lag Other	$0	$0
Equity/Net Assets at End of Period = Balance Sheet Equity/Net Assets	$0	$0
Supplemental Schedules agree to Balance Sheet and Revenue, Expense and Equity Statement line items:		
Current Investments	$0	$0
Risk Pool Receivable	$0	$0
Other Current Assets	$0	$0
Non-Current Investments	$0	$0
Other Non-Current Assets	$0	$0
	Yes	**No**
Grand Total Net Income (Loss) on Total Profitability = Net Income (Loss) on Revenue and Expense Statement		

Health Plan Name
Quarter Ended: 12/31/2XXX
Investments Report (Paragraph 4.01)

Investment Description	Category	Type	Amortized Cost	Market Value	Carrying Value
Account 110 - Short-term Investments					
Short-term Investment 1	Available for Sale	Bond	0	0	0
Short-term Investment 2	Trading	Stock			
Short-term Investment 3	Held-to-Maturity	Other	0	0	0
Subtotal			$ -	$ -	$ -
Account 145 - General Performance Bond					
General Performance Bond	Available for Sale	Bond	0	0	0
Subtotal			$ -	$ -	$ -
Account 155 - Long-Term Investments					
Long-term Investment 1	Trading	Stock	0	0	0
Long-term Investment 2	Available for Sale	US Gov't Sec	0	0	0
Subtotal			$ -	$ -	$ -
Total			$ -	$ -	$ -

Health Plan Name
Quarter Ended: 12/31/2XXX
Capitation, Delivery, Hospital, HIV/AIDS Supplement and TWG/PPC Reconciliation Receivable Report (Paragraph 4.02)

Asset Description	**Amount**
Account 115 - Capitation/Delivery/Hospital/HIV Aids/TWG/PPC Receivable	
	0
	0
	0
	0
	0
	0
	0
	0
Subtotal	$ -

Health Plan Name
Quarter Ended: 12/31/2XXX
Risk Pool Receivable/ Payable Report
(Paragraph 4.03)

Participant Name	Pool Type	Amount
Account 135 - Risk Pool Receivable		
Risk Pool Receivable 1	*Hospital*	0
Risk Pool Receivable 2	*Physician*	0
Risk Pool Receivable 3	*Other*	0
	Subtotal	$ -
Account 225 - Risk Pool Payable		
Risk Pool Payable 1	*Hospital*	0
Risk Pool Payable 2	*Physician*	0
Risk Pool Payable 3	*Other*	0
	Subtotal	$ -
Hospital Risk Pool Receivable/ Payable Balance		$ -
Physician Risk Pool Receivable/ Payable Balance		$ -
Other Risk Pool Receivable/ Payable Balance		$ -
Total Net Risk Pool Receivable/ Payable Balance		$ -

Health Plan Name
Quarter Ended: 12/31/2XXX
Other Assets Report (Paragraph 4.04)

Asset Description	**Amount**
Account 140 - Other Current Assets	
Other Current Assets 1	0
Other Current Assets 2	0
	0
Subtotal	$ -
Account 165 - Other Non-Current Assets	
Other Non-Current Assets 1	0
Other Non-Current Assets 2	0
	0
Subtotal	$ -
Total	$ -

Health Plan Name
Quarter Ended: 12/31/2XXX
Other Liabilities Report (Paragraph 4.05)

Liability Description	**Amount**
Account 240 - Other Current Liabilities	
Other Current Liabilities 1	0
Other Current Liabilities 2	0
	0
Subtotal	$ -

Account 255 - Other Non-Current Liabilities	
Other Non-Current Liabilities 1	0
Other Non-Current Liabilities 2	0
	0
Subtotal	$ -
Total	$ -

Health Plan Name
Quarter Ended: 12/31/2XXX
Medical Claims Payable Report
(Paragraph 4.06)

Payable Type	RBUCS 1-30	RBUCS 31-60	RBUCS 61-90	RBUCS Over 90	Total RBUCS	IBNR	Total Payable
Account: 220 - Medical Claims Payable							
Hospitalization	0	0	0	0	0	0	0
Medical	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total Prospective	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total PPC	0	0	0	0	0	0	0
Total Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Health Plan Name
Quarter Ended:
12/31/2XXX
Claims Lag Report
Expense Type:
Hospital/Medical/Other
(Paragraph 4.07)

Payment Qtr	Current	1st Prior	2nd Prior	3rd Prior	4th Prior	5th Prior	6th Prior*	Total
Current	0	0	0	0	0	0	0	0
1st Prior		0	0	0	0	0	0	0
2nd Prior			0	0	0	0	0	0
3rd Prior				0	0	0	0	0
4th Prior					0	0	0	0
5th Prior						0	0	0
6th Prior*							0	0
Totals	0	0	0	0	0	0	0	0
Expense	0	0	0	0	0	0	0	0
Adjustment	0	0	0	0	0	0	0	0
Remaining	0	0	0	0	0	0	0	0

* Amounts in this column or row include the amounts for the 6th prior period, and any earlier periods where the expenses reported exceed the payments made to date.

Health Plan Name
Quarter Ended: 12/31/2XXX
Long Term Debt Report (Paragraph 4.08)

Lender Name	**Amount**
Account 230 - Current Portion of Long-term Debt	
Lender 1	0
Lender 2	0
	0
Subtotal	$ -
Account 245 - Non-current Portion of Long-term Debt	
Lender 1	0
Lender 2	0
	0
Subtotal	$ -
Total	$ -

Profitability by Risk Group (Paragraph 4.09)														
	Health Plan Name Quarter Ended: 12/31/2XXX Total Counties	**TANF < 1 MF**	**TANF 1-13 MF**	**TANF 14-44 F**	**TANF 14-44 M**	**TANF 45+**	**TANF Total**	**SSI w/ Med**	**SSI w/o Med**	**MED**	**MED**	**SOBRA Family Planning**	**SOBRA Moms**	**Title XIX Total**	**Grand Total**
	REVENUE & EXPENSES														
	Member Months														
	SOBRA FPS Mmbr Mths	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	PPC Member Months	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Pros. Member Months	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Total Member Months	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Pros. & FPS Mbr. Mths	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Pros. & PPC Mbr. Mths	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	REVENUES														
305	Capitation	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
310	PPC Capitation	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
315	SOBRA Supplement	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
320	HIV-AIDS Supplement	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
321	TWG Settlement	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
322	PPC Settlement	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
325	Investment Income	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
330	Other Income	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	TOTAL REVENUES	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	EXPENSES														
	Hospitalization														
402	Hospital Inpatient	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
404	Hosp Risk Pool Exp	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
406	PPC-Hospital Inpatient	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Total Hospitalization	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Medical Compensation														
408	Primary Care Phy	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
410	Referral Phy	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
412	Phy Risk Pool Exp	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
414	PPC - Physician Services	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Total Medical Comp	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Other Medical Expenses														
416	Emergency Services	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**

418	Pharmacy	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
420	Lab, X-ray, & med image	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
422	Outpatient Facility	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
424	Durable Med Equip	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
426	Dental	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
428	Transportation	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
430	NF, Home HC	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
432	Physical Therapy	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
434	Other Risk Pool Exp	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
436	Miscellaneous Med Exp	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
438	PPC-Other	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Total Other Medical	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	TOTAL MEDICAL EXP	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Less:														
440	Reinsurance	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
441	PPC-Reinsurance	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
442	Third Party Liability	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	TOTAL NET MEDICAL EXP	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	TOTAL ADMIN EXP	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	TOTAL EXPENSES	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Inc (loss) from operations	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Non-operating inc (loss)	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Inc (loss) before taxes	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	Income taxes	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**
	NET INCOME (LOSS)	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	**0**

Health Plan Name
Quarter Ended: 12/31/2XXX
Sub-Capitated Expenses Report
(Paragraph 4.10)

Account	Account Description	Amount
Sub-Capitated Hospitalization Expenses:		
402	Hospital Inpatient	0
	Total Sub-Capitated Hospitalization Expense:	$ -
Sub-Capitated Medical Compensation Expenses:		
408	Primary Care Physician Services	0
410	Referral Physician Services	0
	Total Sub-Capitated Medical Compensation Expenses:	$ -
Sub-Capitated Other Medical Expenses:		
416	Emergency Services	0
418	Pharmacy	0
420	Lab, X-ray, & med image	0
422	Outpatient Facility	0
424	Durable Med Equip	0
426	Dental	0
428	Transportation	0
430	NF, Home HC	0
432	Physical Therapy	0
436	Miscellaneous Med Exp	0
	Total Sub-Capitated Other Medical Expenses:	$ -
	Total Sub-Capitated Expenses:	$ -

Health Plan Name
Quarter Ended: 12/31/2XXX
Sub-Capitated Expenses Detail

Account	Account Description	TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	TANF Total	SSI with Med	SSI without Med	SOBRA Family Planing	SOBRA Moms	Title XIX Total	Title XXI Total	Grand Total
Sub-Capitated Hospitalization Expenses:														
402	Hospital Inpatient	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Sub-Capitated Hospitalization Expense:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-Capitated Medical Compensation Expenses:														
408	Primary Care Physician Services	0	0	0	0	0	0	0	0	0	0	0	0	0
410	Referral Physician Services	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Sub-Capitated Medical Compensation Expenses:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-Capitated Other Medical Expenses:														
416	Emergency Services	0	0	0	0	0	0	0	0	0	0	0	0	0
418	Pharmacy	0	0	0	0	0	0	0	0	0	0	0	0	0
420	Lab, X-ray, & med image	0	0	0	0	0	0	0	0	0	0	0	0	0
422	Outpatient Facility	0	0	0	0	0	0	0	0	0	0	0	0	0
424	Durable Med Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
426	Dental	0	0	0	0	0	0	0	0	0	0	0	0	0
428	Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0
430	NF, Home HC	0	0	0	0	0	0	0	0	0	0	0	0	0
432	Physical Therapy	0	0	0	0	0	0	0	0	0	0	0	0	0
436	Miscellaneous Med Exp	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Sub-Capitated Other Medical Expenses:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total Sub-Capitated Expenses:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

HEALTH PLAN:								
QUARTER ENDING:								
(PARAGRAPH 4.11)								
FQHC NAME	Categorical		Categorical Linked Expansion		Federal Non-Categorical Linked Expansion AC/MED	Federal Non-Categorical Linked Conversion AC/MED	ALTCS/ DD	Total
	SOBRA/ AFDC	SSI	SOBRA/ AFDC	SSI				
Chiricahua Community Health Center								0
Clinica Adelante, Inc								0
Community Health Center of West Yavapai								
Desert Senita Community Health Center (formerly Ajo Community Health Center)								
El Rio Health Center								0
Lake Powell Community Health Center								0
Marana Community Health Center								0
Mariposa Community Health Center (Family Health Center)								
Mountain Park Community Health Center								
North Country Community Health Center								
Sun Life Family Health Center								0
Sunset Community Health Center (formerly Valley Health Center)								
United Community Health Center								
Inter-Tribal Health Center								
Native American Community Health Center								0
Native Americans for Community Action								0
Total Member Months	0	0	0	0	0	0	0	0

Instructions:

Please provide quarterly member month information for each FQHC. Any member assigned to the FQHC on the 1st day of the month should be counted as one member month. No partial months will be counted.

Health plans and Program Contractors will be responsible for maintaining a detailed listing, by month of members submitted. Listing should include member's name, AHCCCS ID#, primary care physician, FQHC assigned to, and rate code. This list may be subject to AHCCCS review.

HIV/AIDS Supplemental Payment Report (Paragraph 4.12)										
HEALTH PLAN/ PROGRAM CONTRACTOR:										
QUARTER ENDING:										
MONTH	**Categorical**		**Categorical Linked Expansion**		**Non-Categorical**	**Federal Non-Categorical Linked Expansion NON-MED/MED**	**Federal Non-Categorical Linked Conversion NON-MED/MED**	**KidsCare**	**ALTCS/ DD**	**TOTAL**
	SOBRA/ TANF	**SSI**	**SOBRA/ TANF**	**SSI**						
										0
										0
										0
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

#4 Code 00

DEPARTMENT OF INSURANCE
STATE OF ARIZONA
Financial Affairs Division
PREMIUM TAX UNIT
2910 NORTH 44TH STREET, SECOND FLOOR
PHOENIX, AZ 85018-7256
PHONE: (602) 912-8429 FAX: (602) 912-8421

Quarterly Tax Report
Due December 15th

AHCCCS Contractor's Complete Name

Federal I.D. Number

Instructions: An AHCCCS Contractor is required to file this report and documentation to pay its estimated tax pursuant to A.R.S. §§ 36-2905 and 36-2944.01 on or before December 15th. Please attach copies of _____ to support the amounts reported in line 1.

ESTIMATED TAX COMPUTATION

1) Enter the AHCCCS Plan I.D. Number and estimated amount of total capitation, including reinsurance and any other reimbursement paid to the Contractor by the Arizona Health Care Cost Containment System from October 1 through December 31 for each Plan Type.

AHCCCS Plan Types	Plan I.D. Number	Estimated Amounts	
Acute Care		$	AC
Ventilator Dependent		$	VD
Elderly & Physically Disabled		$	EPD
	TOTAL	$	Qt4

2) Premium Tax Due: Enter 2% of the TOTAL from line 1 ..... $ _____ [00]

If you file and pay in full by December 15 enter 0 (Zero) on line 6 and go to line 7, otherwise complete lines 3-6

CIVIL PENALTY AND INTEREST COMPUTATION

If payment is made after the due date, calculate the additional amount due for penalty and interest below.

3) Late Payment Penalty: Enter 5% of the amount on line 2 or $25.00, whichever is greater ..... $ _____

4) Interest Rate: From the table below, enter the rate of interest based upon your late payment date ..... _____ %

December 16 - January 15 1%	January 16 – February 15 2%	February 16 or later: Increase rate of interest 1% for each additional month

5) Interest Amount Due: Multiply line 2 times line 4 ..... $ _____

6) Total Penalty and Interest Due: Add lines 3 and 5 ..... $ _____ « [00]
[Pay Code 26]

7) Total Payment Due: Add lines 2 and 6 ..... $ _____

8) Additional Payment for Previous Quarter Ending 9/30/03 ..... $ XXXXXXXXXXXXXXXXXX [00]

9) Total Payment Enclosed: Add lines 7 and 8 ..... $ _____

Please enter your check / draft number here: _____ Make check payable to Arizona Department of Insurance

Type Preparer's Name and Title

Preparer's Signature and Date

Toll free or collect phone number

Fax number

E-Mail Address

Mail this report form with check to the address listed above

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